

Exhibit A
Scope of Work – Attachment IV
Turnover

The use of headings of titles throughout this exhibit is for convenience only and shall not be used to interpret or govern the meaning of any specific term, function, or activity.

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A. Turnover Requirements

The objective of the Turnover Period is to ensure an orderly transfer of the CD-MMIS from the Contractor to the Department or a successor Contractor at the end of the Contract Operations Pure Premium Period or upon termination of the contract. Turnover activities shall begin two and one-half years prior to the end of the Contract Operations Pure Premium Period, and Turnover shall conclude at the end of the Contract Operations Pure Premium Period. Departmental exercise of its option(s) to extend this contract shall result in a delay of all Turnover activities for a commensurate period of time. The "Turnover Support Services," "Turnover Work Plan," and "Turnover Preparation" sections provide a description of the elements of the Turnover requirements.

Given the uncertainties associated with the Turnover activities that will take place at the end of the Contract Operations Pure Premium Period, the Contractor shall be flexible to changing requirements. Therefore, the order or the structure, of the Turnover process may be adjusted by the Department from those required in this document. If any adjustments result in increased workload which, is not compensated in the bid price for the Turnover period and its activities, Contractor reimbursement shall be adjusted by the Change Order process.

1. Turnover Support Services

Turnover Support Services shall begin two and one-half (2 ½) years prior to the end of the Contract Operations Pure Premium Period and shall continue through the end of the Pure Premium Period. The purpose of these services shall be to assist the Department in the contract reprocurement process and the transfer of the CD-MMIS to the Department or a successor Contractor. All data and information provided by the Contractor as required by the contract shall be accompanied by letter, signed by the Contractor's representative or his/her designee, attesting that the supplied material(s) is/are current, accurate, and complete.

The Contractor shall provide the following Turnover Support Services to the Department for reprocurement of the CD-MMIS:

- a. Two and one-half (2 ½) years prior to the end of the Contract Operations Pure Premium Period, the Contractor shall assemble a Turnover Management Team that shall be employed by the Contractor at the beginning of Turnover. The Contractor shall submit a letter to the Department identifying which individuals have been designated to serve on the Turnover Management Team.

The Turnover Management Team shall be responsible for Turnover quality management activities. It shall oversee the implementation of all the Turnover tasks listed in the contract to ensure the tasks are performed in accordance with the contract requirements including, but not limited to, the assessment and update of CD-MMIS documentation, the submission of a Work Plan and the transfer of contract operations;

- b. Two and one-half (2 ½) years prior to the end of the Contract Operations Pure Premium Period, a detailed description of the methodology that shall be utilized by the Contractor to ensure the complete review, certification, and acceptance of all CD-MMIS

documentation shall be provided to the Department for transfer to a successor Contractor;

- c. Two and one-half (2 ½) years prior to the end of the Contract Operations Pure Premium Period, on-site facility walk-throughs and demonstrations of the CD-MMIS shall be available to prospective bidders. These, walk-throughs and demonstrations shall include tours of the Contractor's physical plant to demonstrate the logical and actual operation of the CD-MMIS. Tours, walk-throughs, and demonstrations shall be provided for up to ten (10) representatives of a prospective bidder, per tour, during the Contractor's operational hours. Tour dates and times shall be arranged by the Contractor at the request of, and with the approval of, the Department;
- d. Two and one-half (2 ½) years prior to the end of the Contract Operations Pure Premium Period, on-site facility walk-throughs and demonstrations for State staff shall be available as requested by the Department. Tours of the Contractor's physical plant, including the Computer Center, shall be included to demonstrate the logical and actual workflow through the CD-MMIS. General system overviews, as well as specific CD-MMIS subsystem training, shall be included by the Contractor, as requested by the Department for State staff; and
- e. Two and one-half (2 ½) years prior to the end of the Contract Operations Pure Premium Period, the Contractor shall perform a comprehensive inventory of all CD-MMIS documentation for the procurement data library, and continue to update as necessary during the remainder of the Contract Operations Pure Premium Period.

CD-MMIS documentation shall consist of CD-MMIS manuals and other CD-MMIS documentation as shown in Exhibit A, Attachment II, Operations . CD-MMIS manuals include all manuals listed in Exhibit A, Attachment II, Operations and any new manuals created during the course of the contract. Other CD-MMIS documentation includes, but is not limited to, non-manual documents that are required by the Contract to be included in this assessment during Turnover such as inventory lists, system changes documentation, and problem statements.

CD-MMIS documentation should not contain copyrighted or proprietary information belonging to vendors or other entities. For example, detailed information about a particular piece of equipment must be obtained through that manufacturer's literature and may not be duplicated within a CD-MMIS manual. All CD-MMIS documentation will be stored in a Department approved on-line database.

This documentation inventory assessment shall be completed and delivered to the Department no later than twenty-six 26 months before the end of the Contract Operations Pure Premium Period and shall include:

- 1) An assessment of General Systems Design;
- 2) An assessment of Detailed Program Design;
- 3) An assessment of Detailed Program Specifications;
- 4) An assessment of Report Descriptions Documentation;

- 5) An assessment of Screen Descriptions Documentation;
- 6) An assessment of Licensed Software;
- 7) An assessment of Computer Operations Procedures;
- 8) An assessment of Data Descriptions;
- 9) An assessment of User Documentation;
- 10) An assessment of Hardware/Software Configuration;
- 11) An assessment of all software including, but not limited to, programs, JCL, ++INCLUDE members, screen members, control card libraries, data element dictionary data base, and/or any customized changes to proprietary software;
- 12) Master Index of all records maintained by the Contractor pursuant to its records retention responsibilities that shall, for each record, include the name, span of dates covered, and volume and medium;
- 13) List of all cost-reimbursed forms and specifications used within the CD-MMIS;
- 14) Inventory list of all Department-owned and leased equipment maintained by the Contractor pursuant to the cost reimbursement provisions;
- 15) Inventory list and quantities of all cost-reimbursement forms; and
- 16) List of post office boxes, telephone numbers, facsimile numbers, and any other Department-approved method of accessing the Contractor to receive information, including but not limited to, CD-MMIS forms, data, and inquiries; and a description of the purpose of each method of access.

The purpose of the assessment review shall be to determine whether the documentation is current, that it accurately and completely reflects the existing CD-MMIS, and that it meets all contract documentation requirements. If any documentation is not accurate, complete, and in accordance with the contract requirements, corrected documentation shall be provided for the Department's approval. After correction of any documentation required to meet all contract requirements, the Contractor shall provide the Department two (2) copies; one copy on compact disk media and the other a hard copy of each document in the documentation assessment. All updates shall be in the same medium as the original, up through and including the end of the Contract Operations Pure Premium Period. This complete set of CD-MMIS documentation shall be submitted to the Department no later than two (2) years prior to the end of the Contract Operations Pure Premium Period.

Ongoing CD-MMIS documentation, including but not limited to, updates necessitated by Change Orders, System Development Notices, and Dental Operating Instruction Letters, shall continue to be processed through current, normal update procedures and made available through the Contractor's Department-approved on-line database throughout the Turnover activities, including any and all other activities required to reprocure this contract. All updates, including an updated Master List of CD-MMIS manuals, will be

delivered to the Department at the end of each fiscal quarter. The Master List of CD-MMIS Manuals will contain the following information: manual name, contract cite, change source reference (if it is a new manual developed in the current contract period or an obsolete manual), Turnover task identification, location in its Department-approved on-line database, status of manual (i.e., "new" if created in the current contract or "existing" if listed in Exhibit A, Attachment II, Operations of this contract), and assessment status (e.g., "current," "update," "in progress," or "obsolete.")

The Department may, during the Turnover process, require one (1) additional copy of any of the CD-MMIS systems documentation (compact disk media and hard copy) described above.

- f. Two and one-half (2-½) years prior to the end of the Contract Operations Pure Premium Period, the Contractor shall provide a listing (using SMF data) of all CD-MMIS production jobs executed during the previous twelve (12) months. The report shall provide the job name, date and time of job run, elapsed time of each job, condition code, CPU usage, Input/Output usage, output lines and form types, number of tape mounts or cartridges loaded, and restart/rerun indication. In addition to this listing, the Department has the option to receive this data on electronic media according to its specifications and to receive data as generated directly by the computerized system. This documentation shall be delivered to the Department no later than twenty-six (26) months before the end of the Contract Operations Pure Premium Period and shall be updated every month thereafter. Although the tapes must be produced monthly, the Contractor shall deliver the tapes quarterly together with quarterly deliverables; however, the Contractor shall verify the tape creation before the tapes are sent to the Department as defined below, and utilize existing Medi-Cal jobs to automate the process. Verification of this process is defined as:
 - 1) The Department actually received the number of tapes the Contractor indicated it sent;
 - 2) The Department actually received the serial numbers sent by the Contractor; and
 - 3) The tapes are readable (tapes can sometimes be damaged physically or logically after they are created). In order to determine if the tapes are readable the Contractor shall perform the following:
 - a) Add a job step after the file has been created and security put on the tape to print out the first two-hundred (200) records of the first tape of the dataset;
 - b) Add a job step to process through each tape to ensure the tape can be mounted and read; and
 - c) Attach a copy of the printout of the first two-hundred (200) records and the job output to the transmittal letter, or provide them electronically through the Contractor's Department-approved on-line database.
- g. Two and one-half (2 ½) years prior to the end of the Contract Operations Pure Premium Period, the Contractor shall, whenever requested in writing by the Department, provide to the Department operational performance statistics or copies of existing operational reports. The number of requests shall not exceed two-hundred (200) during the

remaining two and one-half (2 ½) years of the contract period. Specific requested information must be delivered to the Department no later than two weeks from the date of the written requests.

2. Turnover Work Plan

Two and one-half (2 ½) years prior to the end of the Contract Operations Pure Premium Period, the Contractor shall prepare and deliver a Turnover Work Plan. The work plan shall include the requirements set forth in this contract, and shall identify all activities necessary to complete the termination and transfer process. In addition to addressing the activities associated with the Turnover process, the work plan shall include the following:

- a) Work schedule of tasks to be performed during Turnover. The structure of this work schedule must meet the detailed work schedule guidelines defined in Takeover (Exhibit A, Attachment 1-Takeover);
- b) Narrative description of each task/activity on the work schedule;
- c) Commitment to a monthly progress meeting to be attended by Contractor and Department staff;
- d) Commitment to producing a monthly written progress report summarizing the progress meetings. This report shall be delivered to the Department one week after each monthly progress meeting and include the following items:
 - 1) Identities of the attendees at the monthly progress meetings;
 - 2) Description of any progress made on each task/activity if applicable for that period of time;
 - 3) Topics of general discussion at the monthly progress meetings;
 - 4) Action items and decisions made at the monthly progress meetings;
 - 5) List of all problems encountered and status of resolution of each problem (e.g., a corrective action plan for each problem and timeline of problem resolution);
 - 6) Planned activities for the following two months;
 - 7) Status of contractually defined milestones and deliverables scheduled in the Turnover Plan; and
 - 8) Any other information required by the Department.

Reports shall be submitted monthly as part of the Monthly Deliverable Status (MDS) Report in accordance with the provisions of this contract.

In the event the Department disagrees with the conclusions provided in the Contractor's summary, the Contracting Officer will provide a written notice of the Department's

request for the Contractor's corrective action, and include a response time, which shall be determined by the Contracting Officer.

- e) The Monthly Deliverable Status (MDS) Report shall be used by the Contractor and the Department in determining the Contractor's progress during Turnover (especially as compared to the Work Plan Schedule), and for tracking the provision to the Department of Turnover deliverables. The MDS report shall be delivered to the Department monthly, a week prior to each meeting, and shall be current at the time of submittal. If required by the Contracting Officer, it shall be submitted on hard copy as well as electronically or on magnetic media in a format prescribed by the Contracting Officer. This report shall be provided in three (3) sequences, by Work Breakdown Schedule (WBS), by Original Due Date, and by New Due Date and seven (7) copies of the report in each sequence shall be delivered to the Department. The MDS report shall contain the following:
- 1) Work Breakdown Schedule. This data field shall reflect the Work Breakdown Structure Number (WBS#) that the Contractor has assigned to the deliverable/activity. Seven copies of the report shall be provided in this sequence;
 - 2) Description. Brief description of the deliverable/activity;
 - 3) Original due date. This shall be the due date provided on the Work Plan Schedule. Seven copies of the report shall be provided in this sequence;
 - 4) Date delivered. Actual date deliverable was delivered to the Department for review and approval;
 - 5) Days late/early. The number of days, if any, the deliverable was delivered late (- days) or early (+ days);
 - 6) Date approved/disapproved. The date the Department either approved or disapproved the deliverable;
 - 7) If disapproved, the new delivery due date. There will be as many entries in this column as disapprovals by the Department. Seven (7) copies of the report shall be in this sequence;
 - 8) Days late/early. Same definition as item (5), but relative to item (7), new due date;
 - 9) Date approved/disapproved. The date the Department approves or disapproves the resubmitted deliverable; and
 - 10) Remarks. Free-form comment space allowing up to seventy (70) characters.
- f) A description of how the Contractor plans to accomplish required training of successor Contractor and Department staff including:
- 1) A schedule of planned training sessions;
 - 2) A description of the professional background, experience, knowledge of the subject, and previous training experience for each trainer;

- 3) Number of staff to be trained per area;
 - 4) Training subjects;
 - 5) Training methodology;
 - 6) Evaluation techniques;
 - 7) Length of each training session; and
 - 8) Sample copies of material to be used in training sessions.
- g) A detailed description of the procedures and processes the Contractor shall utilize to transfer the Provider Enrollment function, PMF maintenance function, the PMF, itself and the Interactive Voice Response System to the successor Contractor.

3. Turnover Preparation

Twelve (12) months prior to the end of the Contract Operations Pure Premium Period, the Contractor shall perform Turnover Preparation activities as defined below. The schedule of activities shall be adjusted by mutual agreement based on the use of any optional extension period(s) and the schedule for Turnover shall be adjusted to coincide with the Department's repurchase and the successor Contractor's takeover schedule. All data, services and information provided by the Contractor shall be accompanied by a letter, signed by the Contractor's Representative or his/her designee, attesting to the accuracy and completeness of the material(s) supplied.

- a. Turnover Preparation: During the twelve (12) month Turnover preparation period, the Contractor shall:
- 1) Provide comprehensive training to successor Contractor management, supervisory, and technical staff. The training shall utilize current and complete CD-MMIS documentation, as well as instruction materials and handbooks. All training materials shall be based on the complete and current documentation required under this contract. Formal training sessions shall be provided for a minimum of fifty (50) successor Contractor personnel for a minimum of eighty (80) hours of class instruction per individual. Each class session shall not to exceed twenty (20) participants. The training shall include hands-on training, if appropriate. Areas to be covered in the Contractor's training shall include:
 - a) Administrative Support Services;
 - b) Claims Control;
 - c) Claims Examination and Inquiry;
 - d) Dental Review;
 - e) Date Entry, OCR and KDE;

- f) Input Preparation and Mailroom Procedures;
 - g) Computer Media Billing and Remittance Advice;
 - h) Appeals;
 - i) TAR Processing;
 - j) Operation of each kind of equipment, both cost-reimbursed and Contractor-owned equipment, needed to operate CD-MMIS (The data center is excluded from this requirement.);
 - k) Dental Outreach Function;
 - l) CD-MMIS System Files, Programs and Reports;
 - m) Each of the CD-MMIS Subsystems;
 - n) On-line data element dictionary (including hands on training at terminals);
 - o) Contractor procedures for effecting Department-required changes to the CD-MMIS (e.g., SG procedures);
 - p) Security and Confidentiality provisions governing the Contractor and Contractor employees;
 - q) Department-approved on-line database; and
 - r) Clinical Screenings.
- 2) Schedule and provide tours of the Contractor's facility for up to one-hundred (100) staff of the successor Contractor;
 - 3) Provide access to the Contractor's Data Center for Department staff designated by the Contracting Officer;
 - 4) Provide the Department with required files, CD-MMIS system software, and necessary services including, but not limited to, delivery of files and programs for successor Contractor system testing and Department acceptance testing of the successor Contractor's operation of the CD-MMIS;
 - 5) Provide any other files, documentation, records, transaction information, and assistance the Department identifies as necessary for the orderly and successful transfer of the CD-MMIS to the successor Contractor;
 - 6) At least two (2) months prior to the end of the Contract Operations Pure Premium Period, provide to the Department a Master Index of all records maintained by the Contractor pursuant to its record retention responsibilities. This Master Index shall inventory all records and include the name of each record type and the volume and medium of each type of record. The Department shall approve the Index format before any records are transferred to the successor Contractor. Once approved by

the Department, the Master Index shall be updated monthly, maintained by the Contractor and utilized by the Contractor to transfer records to the successor Contractor. The Index shall be transferred to the successor Contractor when the final records are transferred;

- 7) Maintain a current inventory list of all cost-reimbursed purchased or leased equipment and cost-reimbursed supplies and CD-MMIS forms, maintained by the Contractor pursuant to the cost reimbursement provisions of the contract. Update and deliver to the Contracting Officer, on a monthly basis, the job roster of Contractor staff for consideration for hiring by the successor Contractor. This roster shall include names of all CD-MMIS employees (except key personnel), date of anticipated availability, and addresses and telephone numbers by which the employees may be contacted;
- 8) In conjunction with the successor Contractor, hold quarterly job seminars at the Contractor's site with the Contractor's employees to encourage employees to accept employment with the successor Contractor;
- 9) Eight (8) months prior to the end of the Contract Operations Pure Premium Period, provide to the successor Contractor, via the Department, an initial complete set of the CD-MMIS software and documentation. Provide daily updates of changes to the CD-MMIS software from that date forward through the end of the Contract Operations Pure Premium Period and the completion of the transfer of all residual inventory and records to the successor Contractor.
- 10) Twelve (12) months prior to the end of the Contract Operations Pure Premium Period, provide to the Department a summary of all reports produced by the Contractor, as required by the contract and the individuals/organizations to whom the reports are delivered, including required delivery dates.

b. Acceptance Testing Support

During the acceptance testing under the subsequent contract, the Contractor shall provide acceptance testing support to both the Department and the successor Contractor. The Contractor shall satisfy all requests for support, within a reasonable period, but in no case longer than two (2) State workdays unless given prior written approval by the Department. This support shall include the following subtasks:

- 1) Provide to the Department the CD-MMIS system software, files, test data files, tables, CD-MMIS document copies, and all other documentation and information requested by the Department, to support at least two parallel tests, and other testing as determined by the Department;
- 2) Provide successor Contractor's staff with access to all required systems;
- 3) Provide assistance to the Department with interpretation and analysis of test results;
- 4) Provide any statistics requested by the Department regarding the levels of accuracy of the CD-MMIS;

- 5) Provide to the successor Contractor any Department-owned and leased equipment in the Contractor's possession that is necessary to conduct acceptance testing, as long as this does not, in the judgment of the Contracting Officer, jeopardize meeting contract requirements;
- 6) Provide to successor Contractor certified production copies (certifying in writing that each is complete, current, accurate and are what the Contractor uses for production) of each of the following:
 - a) CD-MMIS Program Source Code (CHANGEMAN Format) on tape and microfiche or COM instead of the traditional blue bar printout;
 - b) COBOL representation of all CICS Screens (IBECOPY Format);
 - c) All ++INCLUDE members of COPYLIB member (CHANGEMAN Format);
 - d) A CHANGEMAN Source File on magnetic tape of all active production programs. This shall be provided on tape and also on microfiche or COM;
 - e) COBOL representation of the CICS screens;
 - f) Names of CICS modules;
 - g) A listing identifying whether modules are on-line or batch processed;
 - h) All ++INCLUDE, COPYLIB members, load modules and executable code for all source programs and screens;
 - i) A directory listing of all programs on the requested file;
 - j) Data element dictionary;
 - k) All other CD-MMIS software needed to execute the test;
 - l) All production Partitions Data Sets (PDS) Libraries; and
 - m) All data base software.

4. Equipment

The Contracting Officer shall identify the schedule for transfer of all cost reimbursed purchased or leased equipment.

This must include a proposal for the training on the Interactive Voice Response System by the Contractor for the successor Contractor's staff.

The Contractor shall transfer to the successor Contractor responsibility for all cost reimbursed purchased or leased equipment on a schedule set by the Contracting Officer. The exact date of this transfer shall depend on the needs of the Department and the type of equipment. In addition to this equipment, all associated software, supplies, operating

manuals, maintenance contracts, etc., shall also be transferred as directed by the Contracting Officer. The Contractor shall cooperate with the successor Contractor as needed to reassign to the successor Contractor cost reimbursable equipment/software lease/maintenance contracts.

5. File Transfer

The Contractor shall:

- 1) Provide accurate, Contractor-certified electronic copies of all files necessary to transfer CD-MMIS operations to the Department and/or the successor Contractor. Production data file transfer activities will be conducted in accordance with the File Transfer Period Schedule provided by the Contracting Officer during Turnover. The cost of file transfers shall be borne by the Contractor as part of the Contractor's Turnover bid price;
- 2) Provide copies of the current production version of the files that exist as of the start date of that file transfer Turnover phase. The files shall be delivered to the Contracting Officer by noon of the start date of the Turnover phase at the Contractor's Sacramento facility;
- 3) For each set of files provided, ensure that the files which are copied for delivery to the Contracting Officer are the outputs from the most recently completed daily, weekly, and monthly cycles. If the regular production cycle is delayed, the requested file shall be delivered within twelve (12) hours of completion of the production cycle;
- 4) In the event it is determined that any of the necessary files are unreadable and/or otherwise unusable, provide replacement copies within eight (8) hours of notification by the Contracting Officer, unless the Contracting Officer, in writing, agrees to an extension of time;
- 5) At the same time the tape files are delivered, deliver the following:
 - a) Hard copy listings of all JCL used to create/copy each file;
 - b) Job output listings and reports for both the job that created each file, and the job that copied each file from Contractor media to the tapes that are will be transmitted to the Contracting Officer, including record counts or other control information for record balancing;
 - c) Written Contractor certification that each file is a complete and accurate copy of the production CD-MMIS file.

Files scheduled for transfer at the end of the Contract Operations Pure Premium Period shall be transferred to the successor Contractor upon completion of the appropriate cycle for those files (files updated by the daily cycle will be transferred as of the completion of the daily cycle; files updated by the weekly cycle will be transferred upon completion of the weekly cycle, etc.);

- 6) Provide update/transaction files for all files required to be delivered prior to the cessation of claims processing activities (Contract Operations Pure Premium Period) so that the successor Contractor's version will contain the same data as the Contractor's version. The updated files shall be delivered to the Contracting Officer or his designee, weekly on the following Monday after each update;
- 7) If, during Turnover or Runout, any files in addition to those on schedule are identified, the Contracting Officer will request these files either by adding them to one of the file transfer phases or requesting special processing. If added to a file transfer phase, the file shall be delivered in accordance with the schedule for that phase, if feasible. If not feasible, these files shall be delivered within forty-eight (48) hours of the regular production cycle. If asked for on a special request, the file shall be provided to the Department within forty-eight (48) hours of the request;
- 8) The Contractor shall provide to the Department a detailed description of the criteria and procedures to be used during the two-way file transfer. Testing for the two-way (2) file transfer shall occur two (2) months prior to the end of the Contract Operations Pure Premium Period;
- 9) Thirty (30) days immediately prior to the startup of TAR processing by the successor Contractor, the Contractor shall provide an accurate, certified copy of the PMF to the Department for acceptance and installation by the successor Contractor. The Contractor shall provide, at a minimum, weekly updates to the PMF to the successor contractor. This process shall continue through the last day of the Contract Operations Pure Premium Period.

6. Runout Requirements

For the purposes of this contract, Runout is defined as the last two (2) months of the Contract Operations Pure Premium Period and the fifteen (15) months immediately following the last day of the Contract Operations Pure Premium Period, for a total length of seventeen (17) months. During Runout, the Contractor shall complete its contractual obligations and fulfill its contractual liabilities in accordance with the provisions and requirements of this contract, and provide all services and activities necessary from startup of TAR processing by the successor contractor through the end of this contract. Runout consists of Runout Startup, Runout Processing, and Contract Closeout.

The schedule for Runout activities is as follows:

1) Runout Startup

<u>DATE</u>	<u>TASK/EVENT</u>
First Day of Month One	First day of Runout Startup.
15th Day of Month One	The successor Contractor begins receiving and processing TARs. Providers are given the option to submit TARs to current Contractor or successor Contractor.

First Monday After 15th Day of Month One

The Contractor begins daily screening of newly received TARs. TARs for procedures, which may require Clinical Screening, shall be transferred via the Department, to the successor Contractor for processing.

Eleventh Day of Month Two

Date-of-receipt transfer to successor Contractor for all TAR processing.

Last Day of Month Two

Transfer of residual TAR inventory, via the Department, to the successor contractor.

Last day of the Contract Operations Pure Premium Period for the current contract.

End of Runout Startup.

2) Runout Processing

DATE

TASK/EVENT

1st Day of Month Three

1st day of Runout Processing.

Date-of-service transfer for claim/NOA processing to the successor contractor. (During months three-eight, current Contractor continues processing claims/NOAs with ALL dates of service(s) PRIOR TO the first day of Month Three.)

Last day of Month Eight

End of Runout Processing.

3) Contract Closeout

DATE

TASK/EVENT

First Day of Month Nine

First day of Contract Closeout.

First Through Fifth Days of Month Nine

All remaining residual claims/NOAs, etc. transfer to successor Contractor; all contract records transfer; accounts receivable transfer; all residual inventory transfers.

Last Day of Month 17

Last day of contract Closeout phase;
final reconciliation and termination of
the current contract.

The Contractor shall adjudicate claims/NOAs during Runout Startup. The determination as to which Contractor shall process a claim/NOA with multiple dates of service(s) will be based on the last date of service on the document. A claim/NOA with at least one (1) date of service later than the last day of the Contract Operations Pure Premium Period shall be processed by the successor Contractor. This Contractor shall, as a function of Runout Processing, process all claims/NOAs with ALL dates of service prior, or equal, to the last day of the Contract Operations Pure Premium Period. In other words, no provider split billing will be required. Payment for these claims/NOAs shall be specified as in the Payment Provisions Section.

7. Runout Work Plan

- 1) The Contractor shall submit a Runout Work Plan for Department review and approval one (1) year prior to the end of the Contract Operations Pure Premium Period. This Work Plan shall describe the Contractor's activities during Runout. The plan shall include a schedule of reports, files, and data that will be provided to the successor contractor;
- 2) The activities enumerated in this Runout Work Plan shall be arranged by WBS#, with all major tasks, subtasks, and work packages clearly defined for each activity. The plan shall include a narrative description and Gantt (or equivalent) Chart of all work to be performed by the Contractor during the Runout portion of the contract. In addition, the plan shall provide a narrative description and organizational chart of Contractor staffing, by classification and area of activity, for the Runout Startup and Runout Processing periods;
- 3) The Runout Work Plan shall include a listing of reports, files, and data the Contractor shall provide to the successor contractor, and a schedule demonstrating the proposed sequential organization of the transfer(s); and
- 4) The plan shall also include specifications for Contractor preparation and distribution, to the Internal Revenue Service (IRS), State of California Franchise Tax Board (FTB), and providers, of the Contractor's annual 1099 Reports for all payments made by the Contractor.

8. Runout Startup

The Contractor shall:

- 1) On the first day of Runout Startup, provide to the successor Contractor, via the Department, a minimum of one copy of microfilm records for all documents (including TARs). The Contractor shall then on a daily basis provide the successor Contractor a copy of microfilm records for all new documents received and microfilmed. This

process shall continue through the last day of the Contract Operations Pure Premium Period;

- 2) On the fifteenth (15th) day of the next-to-last month of the Contract Operations Pure Premium Period (startup of TAR processing by the successor Contractor), providers shall be given the option of submitting TARs to either the current Contractor or the successor Contractor based upon the following criteria:
 - a) TARs for which a provider may reasonably expect to receive Contractor authorization, and provide the service(s), prior to the claims date-of-service transfer (the end of the Contract Operations Pure Premium Period) date, may be submitted to the current Contractor for processing; and
 - b) TARs for service(s) which a provider expects to render on or subsequent to the claims date-of-service transfer date, may be submitted directly to the successor Contractor.
- 3) Beginning with the first Monday following the startup of TAR processing by the successor Contractor and continuing daily thereafter, perform incoming TAR screening to identify TARs which may require Clinical Screening. TARs identified for possible Clinical Screening shall be batched and transferred, with a transmittal cover sheet on which identifying information for the associated TARs is recorded, to the successor Contractor for processing. Each transfer shall be accomplished within one (1) day of each daily screening session when TARs for possible Clinical Screening are identified;
- 4) Cease processing TARs for services on a date-of-receipt basis beginning on the eleventh (11th) day of the last month of Contract Operations. From that point on, TARs or requests for reconsideration of denied lines or requests for extensions of time received after the claims date-of-service transfer date shall be forwarded to the successor Contractor.

Notify providers via a bulletin approved by the Department, of this TAR contract requirement at least thirty (30) calendar days prior to the startup of TAR processing by the successor Contractor, except that in the event of termination of this contract for default, convenience, or noncompliance with financial criteria, notification to providers of this requirement shall occur within five (5) State workdays after the date of the termination notice;

- 5) Continue to process residual TAR inventory until the last day of the Contract Operations Pure Premium Period (synonymous with the last day of Runout Startup), at which time the Contractor shall transfer all unprocessed TARs to the successor contractor. Included in this transfer shall be all incomplete Clinical Screening transactions and RTDs;
- 6) Establish a unique code in the system and Document Control Center (DCC) for those TARs (including NOAs with denied claim lines and NOAs requesting extensions of time) still being processed on the last day of Runout Startup. The result of this procedure shall be a reporting indicator that the subject document(s) has been transferred to the successor contractor;

- 7) Develop a method, utilizing the Explanation of Benefits (EOB) form as the medium, for notifying providers of the status of documents transferred to the successor Contractor for processing. This notification process shall include a method for responding to providers' CIFs regarding documents that have been transferred to the successor Contractor;
- 8) Organize and inventory the physical transfer, to the successor Contractor, of TARs, associated documentation (including but not necessarily limited to x-rays), and correspondence; Fair Hearing Case Files; Clinical Screening documentation; and Provider Enrollment files. All documents and records shall be transferred in covered boxes, accompanied by individual transmittal sheets identifying the contents of each box (exact status of and remaining activities to be performed on each document). The transfer shall be accomplished in full compliance with the requirements of Exhibit A Attachment II, Security and Confidentiality and Record Retention sections. This transfer process shall be conducted in a manner that prevents any interruption of services to users, including but not necessarily limited to, provision of records retention services, during execution of the transfer;
- 9) Develop, in consultation with the Department, a detailed functional area Work Turnover Report (WTR) for Runout Startup. The WTR shall describe, at the lowest level of detail practical, the work in progress under the Contractor's control to be transferred to the successor contractor's control for processing at the end of the Contract Operations Pure Premium Period. The format of the WTR shall be developed by the Contractor and agreed to by the Contracting Officer prior to submission of the WTR for Departmental review. The WTR shall be delivered to the Department for final review and approval on the last State workday of Month One of Runout Startup;
- 10) Transfer to the successor Contractor, on tape medium and on a daily or weekly basis, as appropriate, all essential processing information;
- 11) Accept and load, on a daily or weekly basis, as appropriate, all processing information received from the successor Contractor;
- 12) Furnish to the successor Contractor, at the end of the Contract Operations Pure Premium Period, one accurate and complete copy of microfilm/fiche for all records retained by the Contractor in compliance with the requirements of Exhibit A, Attachment II, Records Retention section. This microfilm/fiche shall be included in the inventory transfer at the end of the Contract Operations Pure Premium Period; and
- 13) Transfer to the successor Contractor, on the last day of the Contract Operations Pure Premium Period, the Interactive Voice Response System software and hardware, along with all associated user(s) guides, manuals, documents, records, and files.

9. Runout Processing

During the six-month (6th) Runout Processing period of this contract, the Contractor's obligations and liabilities shall be as follows:

- 1) Remain responsible for the processing and payment of all approved claims/NOAs for which ALL dates of service(s) are prior to the last day of the Contract Operations Pure Premium Period. For claims/NOAs billed with multiple dates of service(s), the latest date of service(s) will be used to determine Contractor liability for payment. Claims/NOAs with services rendered after the last day of the Contract Operations Pure Premium Period, and received by the Contractor, shall be forwarded to the Department or successor Contractor (as directed by the Department) no later than one (1) State workday after receipt of the document.

For claims/NOAs, billed as a treatment plan, the latest date of service will be used to determine which Contractor will process that document for payment. If at least one (1) date of service is after the last day of the Contract Operations Pure Premium Period, the successor Contractor shall process that claim/NOA. As a result of this procedure, no provider split-billing between Contractors will be required.

- 2) Receive computer tapes from the successor contractor and shall update various files (such as the Provider Master File) needed to process claims. All residual unprocessed claims at the end of the six-month Runout Processing period shall be transferred to the successor contractor in accordance with the transfer requirements of this Exhibit.
- 3) During the last sixty-five (65) days of Runout Processing, the Contractor shall cease the Resubmission Turnaround Document (RTD) function. The Contractor shall contact providers, via telephone, for necessary information or clarification of documents submitted by providers. The Contractor shall develop a method and form (to be available for Department review within one (1) day of such request) for documenting these contacts and recording information obtained from providers during these telephone contacts.
- 4) Keep the beneficiary service history file operative through the end of the Runout Processing period to properly process claims for dates of service prior to the claims date-of-service transfer date and shall produce all CD-MMIS reports, included S/URS.

The Contractor shall complete all daily, weekly, and monthly CD-MMIS reporting and all S/URS CD-MMIS reporting in process throughout Runout Processing in accordance with the contract delivery requirements.

- 5) Supply the successor Contractor with claims processing history including, but not limited to, beneficiary and provider history. The data shall be provided on a weekly basis, or as directed by the Department, for the entire Runout Processing period. Data provided to the successor Contractor during the Turnover period shall also be provided at the end of the Runout Processing period.
- 6) Develop, in consultation with the Department, a detailed functional area Work Transfer Report for Runout Processing. The WTR shall describe, at the lowest level of detail practical, the work in progress under the Contractor's control to be transferred to the successor Contractor's control for processing at the end of Runout Processing. The format of the WTR shall be agreed upon by the Contracting Officer and the Contractor and delivered to the Department one month prior to the end of the Runout Processing period.
- 7) Additional Contractor responsibilities during Runout Processing shall include:

- a) Maintain staffing consistent with workload during the entire Runout Processing period by encouraging and/or providing incentives for staff retention.
- b) After they are no longer needed, encourage experienced staff to become employees of the successor Contractor, thereby enhancing the continuity of CD-MMIS operations.
- c) Share payment information with the successor contractor. Such data includes but is not limited to: TAR processing, claims processing, copies of checks and EOBs issued, accounts receivable, etc.

10. Contract Closeout

The Contractor shall, following the end of Runout Processing, perform the following Contract Closeout activities:

- 1) Transfer of all residual claims and records to the successor contractor. This physical transfer shall be in an orderly and efficient manner, and in full compliance with Exhibit A, Attachment II, Security and Confidentiality Requirements section. The Contractor shall transfer to the successor Contractor, in covered boxes, all unprocessed CD-MMIS documents along with transmittal sheets indicating the contents of each box, the type(s) of document(s) contained in each box, the exact status of each document, and the remaining activities to be performed for each document. These documents include but are not limited to claims, appeals, adjustment requests, tracers, correspondence, accounts receivable, dental scope fair hearing case files, and Medi-Cal billing records. This transfer shall be accomplished with no disruption in services to users including, but not necessarily limited to, provision of records retention services during execution of the transfer. This transfer shall be completed no later than five (5) State workdays after the conclusion of the Runout Processing period and shall include, but not be limited to, the following:
 - a) Claim/TAR/NOA/CIF/RTD records;
 - b) Provider and beneficiary service history files (including provider appeals, beneficiary complaints and grievances, and Fair Hearing case files);
 - c) Accounts Receivable;
 - d) Inquiries and correspondence;
 - e) Returned mail;
 - f) All backup files;
 - g) Library of CD-MMIS Reports;
 - h) Provider Enrollment files including all correspondence;

- i) S/URS documentation and files;
 - j) Clinical Screening documentation;
 - k) Files and data for all Problem Statements, Erroneous Payment Corrections, Miscellaneous Change Documents, System Development Notices, Amendments, and Dental Operating Instruction letters for the past six years;
 - l) Change Order Files;
 - m) Logs and correspondence on special review providers;
 - n) Radiographs; and
 - o) All other CD-MMIS related documents and records as identified by the State or the Contractor throughout Contract Closeout.
- 2) Dispose of records under its custodianship in accordance with all provisions of the contract, including obtaining prior written authorization from the Contracting Officer before destroying any records;
 - 3) Transfer to the Department or, at the Department's discretion to the successor Contractor, remaining U.S. Postal Service boxes used for receiving CD-MMIS related documents. This transfer shall be completed no later than one (1) State workday after conclusion of the Runout Processing period;
 - 4) Perform a final audit of all contract-related documentation in preparation for federal or State-conducted audits of this contract;
 - 5) If applicable, phase-out Contractor activities at Sacramento facility;

To ensure a smooth transition, two months prior to the physical transfer the Contractor shall have met with Department and successor Contractor staff to:

- a) Determine the format for the Work Turnover Report for Contract Closeout referenced below;
- b) Provide an estimate of the number of residual unprocessed claims, appeals, etc., that will be transferred; and
- c) Establish a transfer schedule acceptable to the Department and successor Contractor.

The organization and transfer shall be conducted so as to prevent any interruption in services including delivery of records retention services while the transfer is executed.

- 6) Within one (1) State workday of receipt, deliver to the successor Contractor's facility, all CD-MMIS related correspondence received during the phase-out period. Following the completion of the phase-out period, the Contractor shall return all CD-MMIS mail received to the sender via the U.S. Postal Service;

- 7) Develop for delivery to the Department a detailed functional area Work Turnover Report for Contract Closeout. The will document, at the lowest level of detail practical, the work in process under the Contractor's control to be transferred to the successor contractor's control for processing. The final WTR shall be delivered by noon, no later than two (2) workdays, prior to the end of the Contract Operations Pure Premium Period;
- 8) Transfer to the successor contractor, in boxes or bins, all unprocessed CD-MMIS documents along with transmittal sheets indicating contents of each box or bin, the type(s) of document(s) contained therein and the exact status of each document. These documents include, but are not limited to: claims, TARs, appeals, adjustment requests, tracers, correspondence, accounts receivables, Medi-Cal billing records, microfilm, microfiche, and dental scope fair hearing cases, etc.;
- 9) Transfer to the successor Contractor no later than one (1) day prior to the end of the Contract Operations Pure Premium Period, or terminate in the event the respective carriers prohibit transfer, all data lines used for Department terminal network communication; and
- 10) Complete all daily, weekly and monthly CD-MMIS reporting and all S/URS CD/MMIS reporting in process on the last day of the Contract Operations Pure Premium Period, in accordance with contract delivery requirements, except that the Contractor shall have one additional State workday.

11. Runout Liabilities

The Contractor shall:

- 1) At the end of the Contract Operations Pure Premium Period, utilize the Pure Premium Fund (PPF) to reimburse the Department for any of the following:
 - a) TARs that were inappropriately denied based on Medi-Cal Dental Program policy by the Contractor and later approved by the successor contractor or the Department due to appeal, dental scope fair hearing, or request for reconsideration;
 - b) Claims which were inappropriately denied based on Medi-Cal Dental Program policy by the Contractor and subsequently approved by the successor contractor or the Department due to appeal or request for reconsideration (CIF); or
 - c) Claims/NOAs with date(s) of service(s) through the end of the Contract Operations Pure Premium Period that were processed by the successor Contractor during the Runout Processing or Contract Closeout periods of this contract.
- 2) Upon billing by the Department, the Contractor shall reimburse the Department within thirty (30) calendar days. The Contractor may dispute all such billings through the contract dispute provisions. This process shall continue for a period of fifteen (15) months following the end of the Contract Operations Pure Premium Period;

- 3) In the event the dollar amount of claims for Medi-Cal beneficiaries' dental services exceeds the amount available in the PPF, the Contractor shall utilize its reserves for the payment of all such liabilities incurred for services rendered during the Contract Operations Pure Premium Period. In this event, the Contractor shall be required to deposit additional dollar amounts into the PPF. All PPF expenditures paid to the Department pursuant to Runout shall be considered in the PPF gain/loss determination;
- 4) Develop a weekly report that shows the amount of expenditures made in this manner. The design for this report shall be submitted for Department review and approval no later than three (3) months prior to the end of the Contract Operations Pure Premium Period, and the Department-approved report shall be implemented on the first (1st) Monday after the end of the Contract Operations Pure Premium Period with weekly submissions thereafter through Contract Closeout.

12. Post Contract Operations Pure Premium Phase

This phase shall terminate six (6) months after the end of the Contract Operations Pure Premium Period.

For ninety (90) calendar days after transfer of Operations, the Contractor shall answer and refer all contract-related calls to the successor Contractor's phone lines.

For ninety (90) calendar days after transfer of operations, on a daily basis and within four (4) working hours make all misdirected contract-related mail available for pickup at the Contractor's site by the successor Contractor.

For ninety (90) calendar days after termination of the Contract Operations Pure Premium Period, the Contractor shall ensure that key personnel who have not transferred to the successor Contractor are available to Department staff to answer questions regarding the operations of the system.